



## SAO TOME & PRINCIPE Country Activity Sheet FY 2004

### WEST AFRICAN TRADE HUB

The West African Trade Hub sent an advisor to Sao Tome & Principe on November 30 December 5, 2004 to assess the competitiveness of several sectors of the economy. The trip resulted in a list of areas where there is greatest export potential - organic tropical flowers, fish, organic chocolate and cocoa, organic pineapples, and apparel.

A seafood exporter from Sao Tome & Principe was invited to participate in a recent training held by the Trade Hub in Accra and to attend the International Boston Seafood Show, but for logistical and communications reasons the company was unable to attend either event. The Trade Hub will now send a seafood consultant to visit Sao Tome & Principe in May 2005 to make an in-depth assessment of the industry.

The Trade Hub also has plans to set up an AGOA Resource Center in STP, but is awaiting a response from the business community in fulfilling their responsibilities associated with the establishment of a center. WATH plans a visit to follow up on the AGOA resource center in the near future.

The Trade Hub will also send an international flower expert to Sao Tome & Principe sometime this summer.

### MILLENNIUM CHALLENGE ACCOUNT THRESHOLD PROJECT

As an MCA Threshold country, the Government of Sao Tome & Principe has submitted a concept paper proposing assistance in the area of improving public expenditure management systems, in response to their relatively low MCC score on fiscal policy. The proposal has been reviewed by USAID, and once accepted by MCC, the West Africa Regional Program can be expected to play a lead role in developing and overseeing the implementation of the activities.

### HIV/AIDS SUPPORT TO SAO TOME AND PRINCIPE

In April 2004, a two-person USAID team visited Libreville and Sao Tome to explore opportunities to support ongoing health activities in Sao Tome within the context of USAID's West Africa Regional Program. The visit resulted in the decision to design and support small projects through USAID's West Africa Ambassadors' AIDS Fund (WAAF), with a funding level of \$100,000 per year.



Tucolor Bridal Cloth

A follow-up visit by a three-person team is being scheduled for June, 2005. The team will meet with officials in both Libreville and Sao Tome, working closely with the Embassy's new Economic Assistant, as well as the incoming Economics Officer, to design one or more projects for Round III of WAAF, totaling \$100,000. The projects will be integrated with the country's 2004-2008 National HIV/AIDS Strategic Plan to ensure that activities achieve maximum impact. Once projects are underway, USAID plans an annual monitoring visit.

### **CONFLICT PREVENTION & ANTI-CORRUPTION**

This project supports the Government of Sao Tome & Principe and civil society to transparently and equitably use revenues generated from the exploitation of off-shore petroleum and potential natural gas reserves. Over the past decades, the negative impacts of oil production have been felt all over Africa. For emerging producers, the next few years are likely to prove critical as exports grow and government revenues increase. This project aims to develop effective practices for the management of public resources in Sao Tome & Principe which may also serve as a template for other oil producing states in West Africa. As such, it will assist in the prevention of conflict in the region. The project will focus on building the capacity of the Government and civil society to effectively monitor and use petroleum dollars, including budget transparency, understanding the technical aspects of oil exploration and contracting, and institutionalizing the monitoring role of civil society.

Currently funded at \$700,000, the project is expected to benefit from additional funds from the Global Development Alliance. A detailed activity description will be ready by the end of April 2005 with contracting and other implementation arrangements going forward immediately after the design has been approved. Implementation activities will begin within three to six months after that.